

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

01 DEC 18 PM 4 28

IN RE: COMPLAINT OF XO
TENNESSEE AGAINST BELL SOUTH
TELECOMMUNICATIONS, INC.

) OFFICE OF THE
) EXECUTIVE SECRETARY
)

And

) Docket No. 01-00868
)

COMPLAINT OF ACCESS
INTEGRATED NETWORK, INC.
AGAINST BELL SOUTH
TELECOMMUNICATIONS, INC.

)
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)
)

**SECOND DISCOVERY REQUEST OF ACCESS INTEGRATED NETWORK, INC.
AND XO TENNESSEE, INC.**

Access Integrated Network, Inc. and XO Tennessee, Inc. request that BellSouth Telecommunications, Inc. ("BellSouth"), answer each of the following interrogatories and requests for production. These interrogatories are continuing in nature and Rule 26 of the Tennessee Rules of Civil Procedure requires you to seasonably supplement your responses to these interrogatories.

Preliminary Matters and Definitions

When not otherwise specified the term "BellSouth" refers to BellSouth Telecommunications, Inc., to any affiliated corporate entity, including BellSouth Select, Inc. and to any agent of BellSouth Telecommunications, Inc. engaging in the marketing of regulated services in Tennessee.

The "BellSouth Select program" refers to any marketing, sales, promotional or other offer made to customers or potential customers in Tennessee and involving goods, services, discounts, or other items of value provided directly or indirectly by BellSouth Select, Inc.

The term "identity" or "identify" as used herein, with respect to any person, means to provide the name, current residence address, current residence telephone number, current business address, current business telephone number, and the occupation or job title of that person; with respect to any other entity, those terms mean to provide the name by which said entity is commonly known, the current address of its principal place of business, and the nature of business currently conducted by that entity; with respect to any document, those terms mean to provide the date of the document, the identity of the author or preparer of the document, the type of document (*e.g.*, letter, memorandum, tape recording, etc.), the substance of the contents of the document, the title (if any) of the document, and the present or last-known location and custodian of the document and any copies thereof.

The term "document," as used herein, means any medium, including computers or other electronic media, upon which intelligence or information can be recorded, stored and/or retrieved, and includes, without limitation, the original and each copy, regardless of origin or location, of any book, record, report, statement, diary, notes, audiotape, videotape, computer disk, computer tape, computer printout, electronic or voice mail message, pamphlet, periodical, letter, memorandum (including memorandum, note or report of a meeting or conversation) or any other written, typed, reported, transcribed, punched, taped, filmed, electronic or graphic matter, however produced or reproduced, which is in your possession, custody or control or which was but is no longer in your possession, custody or control. "Document" shall include all copies of documents by whatever means made, including any non-identical copies (whether different from the original because of handwritten notes, underlining, blind carbon copy, or otherwise) and drafts of documents.

The term "relating to" or "relates to," as used herein, means evidencing, supporting, contradicting, constituting, containing, recording, discussing, summarizing, analyzing, disclosing, referring to in whole or in part, or otherwise pertaining to in any way.

For purposes of framing your responses to these interrogatories, the singular should be read to include the plural and vice versa.

With respect to each of the following interrogatories, in addition to supplying the information requested, please identify any and all documents that support, refer to, or evidence the subject matter of each interrogatory in your answers thereto. If any or all of the documents identified herein are no longer in your possession, custody or control because of destruction, loss, or other reason, then you are requested to identify each such document fully, including the nature and type of the document, its date, the identity of the person who prepared the document, and the identity of the person or entity for whom it was prepared, and to the extent possible, you are requested to summarize the contents of the document and state the manner and date of the disposition thereof. If any of the requested documents are objected to or not produced on the basis of privilege, please include in your response to production, for each document, a written statement evidencing:

- a. The nature and type of the document;
- b. The date;
- c. The author of the document;
- d. The recipient;
- e. The sender; and
- f. A brief description of the contents sufficient to allow the TRA to rule on a motion to compel.

Consistent with the preceding definitions and preliminary matters, answer under oath the following interrogatories:

1. List every Tennessee customer by name, address, telephone number, who has joined a BellSouth Select program, received any good, service, or other item of value, including discounted services from BellSouth Select, Inc. since the creation of BellSouth Select, Inc. Include a description of the item received and an estimate of the monetary value of the item.
2. Provide copies of all documents addressing whether a BellSouth Select program complies with federal and state regulatory requirements.
3. (a) Identify all individuals who are or have been responsible for determining whether or not a BellSouth Select program complies with federal and state regulatory requirements, and (b) describe the responsibilities of each named individual.
4. On what date did BellSouth Select begin allowing a customer to redeem Select points for credit which could be applied to both regulated and non-regulated charges on the customer's bill.
5. If not included in the responses to questions 2 and 3, (a) provide all documents addressing whether the offer described in Question 4 complies with state and federal regulatory requirements and (b) the names and job descriptions of all persons involved in making that determination.
6. Describe in detail each of the marketing or promotional plans offered by BellSouth Select, Inc., to customers in Tennessee since the creation of BellSouth Select, Inc. The description should include, but not necessarily be limited to, the following information:
 - a. The beginning and ending dates, if applicable, of each plan.

b. The customers or potential customers to whom each plan is (or was) targeted and all applicable criteria by which customers or potential customers are (or were) selected.

c. The number of customers who agreed to participate in each program and the number of access lines controlled by those customers.

d. A description of all goods, services, and benefits, which customers may receive through participation in each program and an explanation of how customers may receive those goods, services, or benefits.

7. In your response to the first set of Interrogatories, you state that, "BellSouth Corporation agreed to fund the administration of this program?" What entries are recorded on BellSouth Corporation's books to recognize the funding of this program? Include accounts, account titles and related entries to affiliates such as allocating the funding to affiliated operations.

8. You also state that account #5280.9920 on BST's books is debited according to revenue ruling dated 11-19-99. The FASB defines revenues as "inflows or other enhancements of assets of an entity or settlements of its liabilities (or a combination of both) from delivering or producing goods, rendering services, or other activities that constitute the entity's ongoing major or central operations." ¹ Why is a revenue account debited when there is an outflow not an inflow to assets (i.e. cash)? Therefore, shouldn't the amount be charged to an expense account?

¹ FASB, *Statement of Financial Accounting Concepts No. 6*, "Elements of Financial Statements (Stamford, CT, 1985), para. 78.

9. Related to Question 7, if the amount is charged or not charged to an expense account on BST's books, wouldn't this affect the amount of expenses charged to regulated and non-regulated operations through a Part 64 allocation process. If not, why not? Provide a detailed explanation and support for your conclusions.

10. Provide the account balances by month from 1999 to present for account #119.110 on BST's books for Tennessee operations for the same time period from BSS.

11. Why is the corporate loyalty program not accounted for solely on BST's books?

Respectfully submitted,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

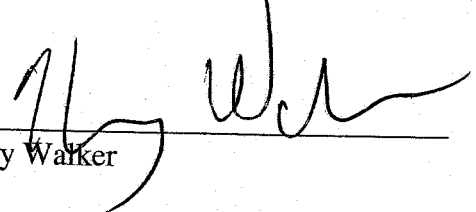
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been forwarded via fax or hand delivery and U.S. mail to the following on this the 14th day of December, 2001.

Guy Hicks, Esq.
BellSouth Telecommunications, Inc.
333 Commerce St., Suite 2101
Nashville, TN 37201-3300


Henry Walker